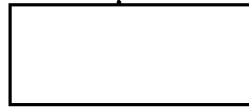


Addition Polish materials
for Hq Mtg.



Date 7 Jan 82

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CENTRAL INTELLIGENCE AGENCY
DIRECTORATE OF INTELLIGENCE7 January 1982
Information as of 1000DCI BRIEFING NOTE: POLAND

The Soviet soft currency trade credits granted to Poland are worth \$1.6 billion in 1982, about \$400 million less than last year.

- The credit will allow Poland to finance imports of Soviet goods such as crude oil, natural gas and pig iron that they could not buy in the West because they do not have hard currency.
- The Kremlin realizes that, with the economy in disarray and additional Western aid unlikely, it must provide substantial material assistance to avoid economic collapse and civil unrest.
- The trade protocol does not mention any hard currency credits, but the Soviets granted about a \$1 billion in such credits in 1981. Moscow will continue to avoid making a commitment to cover Poland's Western debts because it would be a further drain on the USSR's own weakening, hard-currency position.
- The Soviet leadership must assume that its public will resent economic aid to Poland--particularly food aid--but this will probably result only in increased grumbling.

The Poles have made substantial interest payments in the past two weeks but admit they were still short \$250 million on 31 December in meeting the terms of the 1981 rescheduling agreement;

- a press report indicates that the amount is now down to about \$200 million; most banks report that the Poles still are not current.
- We do not know the source of the funds for Poland's recent payments.

We have no new evidence to judge the level of resistance to martial law, but we believe that there continues to be considerable passive resistance.

- Solidarity leaders still at large are circulating more

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appeals for passive resistance.

- Stiff sentences continue to be meted out to strike leaders as a deterrent.

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The internal party purge continues with a new series of indictments against former senior officials, including an ex-deputy premier.

- Those ousted include several liberal delegates to last summer's party Congress and perhaps a hardline provincial party leader.
- Regime is trying to give the appearance of steering a middle course, but purges probably weighted against liberals.

The church and the regime are making little progress toward establishing a dialogue.

- The church is still pressing for release of the detainees, an end to martial law, and lifting of ban on Solidarity, but gives the impression of preparing for a long contest.
- The regime is exploiting the church's opposition to violence and fear of a Soviet invasion to discourage church support of resistance to martial law.
- The Pope's apparent decision to go ahead with a planned visit to Poland in August may be intended to calm the populace as well as put pressure on the regime to ease harsh martial law restrictions.

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